

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 7914

BILL NUMBER: SB 513

NOTE PREPARED: Jan 12, 2005

BILL AMENDED:

SUBJECT: INDOT Construction Contracts.

FIRST AUTHOR: Sen. Weatherwax

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State

Summary of Legislation: This bill, after June 30, 2005, prohibits the Department of Transportation (INDOT) from including in a construction contract or any related documents a provision prohibiting or restricting the receipt by a contractor of compensation for unforeseen work or additional expenses incurred during a project as a result of unforeseen: (1) conflicts with utility facilities; or (2) delays in utility facility relocations. It requires INDOT to revise its standard construction specifications, drawings, and other documents to eliminate any prohibition or restriction on compensation.

Effective Date: Upon passage; July 1, 2005.

Explanation of State Expenditures: This proposal will shift expenditures from the contractors to the INDOT for any unforeseen work or additional expenses incurred during a project as a result of unforeseen conflicts with utility facilities or delays in utility facility relocations. The fund affected is the state Highway Fund.

The INDOT will compensate a contractor for time. That is, if there is a delay caused by a utility facility relocation, the INDOT will allow the time needed to complete the contract. Under current procedures, for the most part, the INDOT does not compensate with money.

There are two special contracts under which the INDOT does compensate with money. These contracts are:(1) SR 32 and I-65; and (2) U.S. 421 near Logansport.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Department of Transportation.

Local Agencies Affected:

Information Sources: Rick Smutzer, Chief Engineer, Department of Transportation, 317-232-5529.

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